

FY 2010-11

**Target
Agreements**

September 8, 2010

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**FY 2010-11 General Fund/General Purpose Budget
Revenue Assumptions Used to Balance Appropriation Targets
(millions of dollars)**

Target Agreement

\$8,257.5

FY 2010-11 GF/GP Appropriation Targets

Adjustment to Targets:

Revenue:

Beginning Balance	\$0.0
May 2010 Consensus Revenue Estimate	7,096.7
Shift Short-Term Borrowing Costs to School Aid Fund	45.0
Revenue Sharing Freeze	537.2
County Revenue Sharing-Restore Payments	(59.4)
Use Tax on Health Maintenance Organizations	377.3
Enhanced Tax Enforcement Revenue	15.0
Tax Amnesty	61.8
Unclaimed Property Reforms	168.0
Liquor Reforms (Value Added Packaging)	2.1
Liquor Reforms (Instant Rebate/Coupons)	1.7
Liquor Reforms (Wine Auctions License of \$50,000)	0.5
Liquor Reforms (Sampling)	0.8
Liquor Reforms (Bootlegging Enforcement)	4.0
Convention Facilities Development Fund Transfer to GF/GP	5.0
Department of State Work Project Transfer to GF/GP	<u>6.0</u>
Total Estimated Revenue	\$8,261.7

Projected Year-End Balance

\$4.2

p:balance, sheet u, bd510 September 8, 2010

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FY 2010-11 General Fund/General Purpose Appropriation Targets

Department/Budget Area	FY 2010-11 GF/GP Target
Agriculture	\$30,297,100
Attorney General	28,559,400
Civil Rights	10,975,700
Community Colleges	295,880,500
Community Health	2,430,451,900
Corrections	1,918,546,200
Education	21,914,100
Energy, Labor, & Economic Growth	47,607,900
Executive	4,630,800
Higher Education	1,543,378,500
Human Services	930,064,600
Judiciary	152,073,100
Legislative Auditor General	11,155,000
Legislature	100,574,300
Military and Veterans Affairs	36,424,700
Natural Resources & Environment	41,309,400
School Aid	18,642,400
State	13,910,800
State Police	260,383,200
Technology, Management & Budget-Operations	57,878,200
Technology, Management & Budget-SBA Debt Service	241,870,600
Transportation	0
Treasury-Debt Service	42,118,300
Treasury-Operations	56,038,000
Treasury-Revenue Sharing	0
Treasury-Strategic Fund	22,781,500
State Employees Retirement Savings	(60,000,000)
Total	\$8,257,466,200

Senate Fiscal Agency, September 8, 2010 p:Targets11.123, sheet f, L1

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Fiscal Year 2010-11 Target Issue Agreements

Fiscal Year (FY) 2009-10 Supplemental Appropriations: The House and the Senate agree to approve as soon as possible the FY 2009-10 supplemental appropriations recommended by the State Budget Office (SBO). In addition, the target agreement includes the funding of \$878,000 for Legislative reapportionment costs, the \$101.8 million fund source shift of surplus tobacco settlement revenue to Medicaid and the \$208.4 million fund source shift of School Aid Fund revenue to the Community College budget.

Legislation Needed to Implement FY 2009-10 Budget: The House and the Senate agree to complete action, as soon as possible, on any legislation pending related to the FY 2009-10 budget. (Attachment A)

~~**FY 2010-11 School Aid Fund Supplemental:** Agree to appropriate the additional Federal Education Jobs funding to K-12 school districts entirely through the 2X funding formula. Of the 2.0% in administrative funding, Intermediate School Districts will receive the balance of what is not used by the Department of Education for administration.~~

Remove per agreement MDD GJD JNY

Revenue Sharing: Cities, villages, and townships will receive a freeze in total Constitutional and statutory revenue sharing payments. Revenue sharing payments to counties will be made at the level required to reimburse counties for losses from the acceleration of property taxes.

Renaissance Zone Reimbursements: Agree to eliminate these reimbursements to local units that are funded in Community Colleges (\$3,220,000), School Aid (\$9,200,000), and Treasury (\$3,187,500).

Judiciary Budget: Agree to include in the Judiciary budget a \$500,000 increase, above the Governor's recommendation, for the Court of Appeals.

Consensus Caseloads: Agree to use the May 2010 consensus caseload estimates in the final appropriation bills for the Department of Community Health and the Department of Human Services.

State Employees Retirement System Reforms: Agree to pass reforms in the State Employees Retirement System (SERS). These reforms will include a temporary enhanced retirement benefit and a 3.0% employee contribution for retiree health care costs. This 3.0% employee contribution will be phased-in over five years.

Budgetary Savings Line-Items: Agree to not include any negative "Budgetary Savings" line-items in the appropriation bills.

Legislation Needed to Implement FY 2010-11 Budget: Jointly work on drafting and enacting any legislation needed to implement the FY 2010-11 budget agreement and pass this legislation no later than December 31, 2010.

Tax Amnesty: The target agreement includes the approval by the Legislature of a tax amnesty program to be developed by the Department of Treasury. Administrative costs will be appropriated in the implementing legislation.

Unclaimed Property Reforms: The target agreement includes the approval by the Legislature of reforms in unclaimed property developed by the Department of Treasury. Administrative costs will be appropriated in the implementing legislation.

Liquor Reforms: The target agreement includes \$9.1 million of revenue resulting from several liquor reforms:

- 1) \$4.0 million: Bootlegging enforcement;
- 2) \$2.1 million: Allow value-added packaging;
- 3) \$1.7 million: Allow instant rebates/coupons;
- 4) \$0.8 million: Allow sampling at retail stores; and
- 5) \$0.5 million: \$50,000 license fee to allow wine auctions by non-licensed people.

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LEGISLATION NEEDED TO IMPLEMENT FISCAL YEAR 2010

Senate Bill # / Sponsor	House Bill # / Sponsor	Department	Purpose or Description	MCLS	Status / Next Action
	HB 5666 McDowell	Community Health	Eliminate or extend sunset for Crime Victims Rights Fund	780.904	Passed House Senate Approps
	HB 5307 Cushingberry	Community Health	Eliminate single point of entry requirement	400.109 i&j	House Approps (Discharge Notice Given 9/24/09)
	HB 4538 Jones	Corrections	Boot Camp Alternative Incarceration – Eliminate Sunset	MCL 791.234a	Passed House Senate Approps
	HB 5220 Bennett	Environmental Quality	Renewable Operating Permit fee increase, air emission fees (\$1m). Federal EPA mandate for state to implement fee - loss of Program to EPA if Michigan fails to act and potential loss of MDOT federal support of over \$400 M.	MCL 324.5522	Passed House Senate Floor
	HB5221 Bennett	Environmental Quality	Eliminate Lab Recognition Program	MCL 324.20501 – 324.20519	Passed House Senate Floor
		DTMB	Repeal Michigan State Fair statute	285.161-285.176	
SB 1133 Garcia	HB5599 Cushingberry	MSP	Commercial Mobile Radio Service -- Expand uses of fund to support \$5 M appropriation in MSP.	484.1408	House Approps Sen Approps
	HB 5678 Gonzales	Transportation	CTF sales tax to GF \$5.7M	205.75	Passed House Senate Floor
	HB 5679 Gonzales	Transportation	MIRLAP \$5.7M to CTF	474.65a	Passed House Senate Floor

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8/30/2010